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**FISCAL IMPACT STATEMENT**

**LS 7076**

**BILL NUMBER:** HB 1809

**NOTE PREPARED:** Jan 7, 2005

**BILL AMENDED:**

**SUBJECT:** Health Professions Investigation Division.

**FIRST AUTHOR:** Rep. Brown C

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes the Health Professions Investigation Division (Division) within the Health Professions Bureau (Bureau). It provides that the Division is responsible for the investigation of complaints filed against persons in regulated health occupations that are administered by the Bureau. (Current law provides that the Division of Consumer Protection, Office of the Attorney General, is responsible for these investigations.) It also establishes duties and procedures for investigations.

The bill establishes the Health Professions Investigation Fund to finance the operation of the Division, consisting of fees, civil penalties, and assessments collected by the board of a regulated occupation or the Bureau. It amends references to prior investigation statutes and the deposit of fees, civil penalties, and assessments. It provides that the Attorney General retains responsibility for the investigation of all complaints filed before November 1, 2005, and that the Division is responsible for complaints filed beginning November 1, 2005. The bill also makes conforming amendments.

**Effective Date:** Upon passage; July 1, 2005.

**Explanation of State Expenditures:** Under current statute, the Consumer Protection Division of the Office of the Attorney General receives, investigates and prosecutes complaints for the licensing boards under the Health Professions Bureau. The bill shifts these responsibilities to the Health Professions Investigation Division, which this bill creates within the Health Professions Bureau.

The executive director of the Bureau must appoint a director and at least one deputy director of the Division. The director must also hire investigators to work in the Division. Personnel expenditures would be dependent

on the position levels and number of positions hired.

In addition to the above personnel costs, the Division must maintain a confidential computer data base and may adopt rules to implement the above. These provisions will increase administrative expenses for the Bureau by an indeterminable amount.

Currently, any complaint filed with the Office of the Attorney General alleging a violation is referred to the appropriate board at the Bureau for review. The board is to assign one or more of its member to conduct a fact finding investigation. This proposal does not prohibit the Attorney General from conducting investigations of a licensee. Additionally, the Attorney General would still prosecute matters on behalf of the state. For FY 2003, the Attorney General reported spending approximately \$1.3M on salaries and operating expenses for its medical licensing section and its advisors section. The Attorney General is entitled to reimbursement from the Health Professions Investigation Fund for costs incurred.

The Bureau would need to receive an appropriation from the state General Fund in order to operate because license fee revenues would be dedicated to the Investigation Fund under the proposal. This bill contains no appropriation.

**Explanation of State Revenues:** Currently, revenue received by the Bureau is paid to the Treasurer of State and deposited in the state General Fund. Under the proposal, revenue collected by health professions boards would be transmitted to the Health Professions Bureau to be deposited in the Health Professions Investigations Fund.

This bill establishes the Health Professions Investigations Fund for the purpose of funding the salaries and expenses of the Division. The Fund is administered by the Bureau. Expenses of administering the Fund are to be paid from money in the Fund.

The account consists of fees, civil penalties, and assessments collected by a board or the Bureau. Fees, civil penalties, and assessments collected for the following accounts would not be deposited in the Health Professions Investigations Fund: the Impaired Nurses Account, the Optometry School Account, and the Impaired Pharmacists Account.

The Treasurer of State must invest money in the Fund not currently needed to meet the obligations of the Fund in the same manner as other public Funds may be invested.

Money in the Fund at the end of the fiscal year does not revert to the state General Fund. However, if the amount of money in the Fund at the end of a state fiscal biennium exceeds \$750,000, the Treasurer shall transfer the excess from the Fund into the state General Fund. The total revenue reported by the HPB Boards for a two-year period, FY 2003 and FY 2004, amounts to nearly \$18M.

**Explanation of Local Expenditures:** The circuit or superior court located in the county where a subpoena is issued by the director must enforce the subpoena. Additionally, if the director determines that an unlicensed person is practicing a regulated profession or using a title without a credential required for that profession, the director must forward the complaint and any information gathered by the Division to the appropriate prosecuting attorney. These provisions could increase expenses to local units.

**Explanation of Local Revenues:**

**State Agencies Affected:** Health Professions Bureau, Attorney General.

**Local Agencies Affected:**

**Information Sources:** Health Professions Bureau; *Indiana Handbook of Taxes, Revenues, and Appropriations*, 2004.

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